



2007 SENATE RESOLUTION 9

February 4, 2008 – Introduced by Senators JAUCH, LEHMAN, PLALE, ERPENBACH, SCHULTZ, MILLER and ROBSON. Referred to Committee on Tax Fairness and Family Prosperity.

1 **Relating to:** urging Congress and the President to enact the Sales Tax Fairness and
2 Simplification Act.

3 Whereas, as a result of the 1967 *Bellas Hess* U.S. Supreme Court decision and
4 the 1992 *Quill* U.S. Supreme Court decision, Wisconsin and other states have been
5 denied the authority to require the collection of sales and use taxes by remote sellers
6 that have no physical presence in the state to which the item is delivered; and

7 Whereas, the combined weight of the inability to collect sales and use taxes due
8 on remote sales through traditional carriers and the continued erosion of the tax base
9 due to electronic commerce threatens the future viability of the sales and use tax as
10 a stable revenue source for state and local governments; and

11 Whereas, studies have estimated that Wisconsin will lose in excess of \$150
12 million a year in sales and use taxes due on sales made by remote sellers to Wisconsin
13 purchasers; and

14 Whereas, Wisconsin joined 33 other states to enact legislation expressing the
15 intent of the state to simplify and modernize the state's sales and use tax collection

1 systems and to participate in multistate discussions to finalize and ratify an
2 interstate agreement to streamline the administration and collection of the states'
3 sales and use taxes; and

4 Whereas, these states unanimously ratified the Streamlined Sales and Use Tax
5 Agreement (Agreement), which substantially simplifies and modernizes state and
6 local sales and use tax systems, removes the burdens to interstate commerce that
7 were of concern to the U.S. Supreme Court, and protects state sovereignty; and

8 Whereas, 22 states representing over 35 percent of the total population of the
9 United States have already enacted legislation to bring their state's sales and use tax
10 statutes into compliance with the Agreement; and

11 Whereas, nearly 1,100 remote sellers have already voluntarily registered and
12 are participating in the simplification effort in the states that have conformed their
13 laws to the requirements of the Agreement; and

14 Whereas, Wisconsin state law already requires the payment of sales or use tax
15 on purchases made from on-line, catalog, and other remote sellers but does not have
16 an effective method of collecting this tax from the individual consumers; and

17 Whereas, as a result of not having an effective method of collection of these
18 taxes from individual consumers, Wisconsin is losing millions of dollars each year;
19 and

20 Whereas, main-street merchants and businesses who already collect and remit
21 sales and use tax to the state of Wisconsin are placed at a significant competitive
22 disadvantage by on-line, catalog, and other remote sellers who are not required to
23 collect and remit the tax; and

1 Whereas, the burden of remitting the sales and use tax on purchases from
2 on-line, catalog, and other remote sellers who are not required to collect the tax is
3 then placed on the individual consumers; and

4 Whereas, most individual consumers do not know of the requirement or simply
5 fail to remit this tax, thereby unknowingly subjecting themselves to possible interest
6 and penalties if the sales or use tax is not paid in a timely manner; and

7 Whereas, the Main Street Equity Act to simplify and modernize the Wisconsin
8 sales and use tax statutes would add Wisconsin to the list of over 20 other states who
9 are already complying with the Agreement; and

10 Whereas, the Main Street Equity Act was included in the 2007-09 biennial
11 budget by Governor Doyle and was approved in the Wisconsin state senate; and

12 Whereas, the Wisconsin legislation acknowledges the complexities of the
13 current sales and use tax collection system, and is responsive to the interests of the
14 business community and protecting individual consumers by formulating a truly
15 simplified and streamlined collection system; and

16 Whereas, the Main Street Equity Act has the support of a broad coalition of
17 Wisconsin and multistate merchants, trade associations, and businesses, large and
18 small, including department stores, hardware stores, jewelers, book sellers, grocers,
19 convenience stores, and telecommunication companies who desire a more simplified
20 and modernized sales and use tax system that is uniform and fair for all Wisconsin
21 residents and businesses; and

22 Whereas, H.R. 3396, the Sales Tax Fairness and Simplification Act has been
23 offered in the U.S. House of Representatives; and

24 Whereas, the legislation would sanction the multistate agreement and require
25 sellers to collect sales and use taxes for all states that conform to the terms of the

1 agreement, thereby leveling the playing field for all retailers and ensuring the future
2 vitality of a major consumption tax; and

3 Whereas, Wisconsin’s Main Street Equity Act and the Streamlined Sales and
4 Use Tax Agreement demonstrates state government’s ability to modernize and
5 simplify our sales tax system to conform to the 21st century, while reducing the
6 burden on retailers; and

7 Whereas, the U.S. House Subcommittee on Administrative and Commercial
8 Law of the Judiciary Committee held a public hearing on December 6, 2007; and

9 Whereas, Congress must adopt legislation to provide the authority for
10 Wisconsin and any other state that conforms its laws to the requirements of the
11 Streamlined Sales and Use Tax Agreement and becomes a full member state to be
12 permitted to require remote sellers to collect and remit sales and use taxes for their
13 state; now, therefore, be it

14 ***Resolved by the senate, That*** the Wisconsin state senate calls upon the U.S.
15 Judiciary Committee and the U.S. House of Representatives to support swift
16 adoption of the Sales Tax Fairness and Simplification Act; and, be it further

17 ***Resolved, That*** the Wisconsin senate encourages members of the U.S. Senate
18 to expeditiously consider and pass the Sales Tax Fairness and Simplification Act;
19 and, be it further

20 ***Resolved, That*** the Wisconsin state senate urges President George W. Bush
21 to sign the Sales Tax Fairness and Simplification Act into law, upon its passage by
22 the Congress; and, be it further

23 ***Resolved, That*** the senate chief clerk shall provide copies of this resolution to
24 the President and members of Wisconsin’s congressional delegation.

25

(END)